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June 7, 2018

By E-Mail

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Subject: Docket 4822 - Solicitations of Long-Term Contracts for Renewable Energy and Renewable Energy Certificates (RECs), Pursuant to R.I. Gen. Laws § 39-26.1-1 *et seq.*

Ms. Massaro:

In response to the Public Utilities Commission's ("PUC") May 10, 2018, Procedural Schedule, RENEW Northeast, Inc. ("RENEW") submits these comments on the draft Request for Proposals ("RFP") in the above-captioned docket.

RENEW is a non-profit association uniting the renewable energy industry- developers of large offshore wind, land-based wind, solar, and transmission projects and manufacturers of large wind turbines- and environmental interest groups whose mission involves coordinating the ideas and resources of its members with the goal of increasing environmentally sustainable energy generation in the Northeast from the region's abundant renewable energy resources.¹

RENEW strongly supports this RFP's objective of securing large-scale resources eligible under Renewable Energy Standard ("RES") to meet Governor Gina Raimondo's laudable goal of increasing the state's renewable energy portfolio to 1000 megawatts by the year 2020. New England has a pool of several thousand megawatts of large-scale RES-eligible resources seeking to connect to the grid. Large-scale are the least-cost type of renewable resource available today.

Issuance of the RFP at this time can provide price benefits to consumers. Projects can take several years to obtain siting and environmental permits and approval from ISO New England to interconnect to the grid. Some potential renewable energy projects in the region are

¹ These comments represent the views of RENEW and not necessarily those of any particular member of RENEW.

being developed by companies that took steps- like the purchase of major wind turbine components- to ensure that their projects will be grandfathered for a limited time under federal Production Tax Credit (“PTC”) before it is phased-out. Rhode Island consumers might be able to benefit from the lower prices associated with PTC eligible projects if contracts are issued this year rather than in future years.

I. Bidders Should Be Allowed to Meet the Site Control Requirement with Letters of Intent; Full Site Control Should Not Be Required

Section 2.2.3.3 concerning project site control requires developers demonstrate they own or have a lease to the site. Requiring developers to demonstrate full site control in the early stages of development is inconsistent with standard industry development. Accordingly, this section should be amended to allow this requirement to be met through letters of intent between a developer and a land owner. Developers should also be allowed to secure only a “substantial portion” of property rights- not complete control- through ownership or leases. These modifications are consistent with industry standards for development and provide the necessary assurances sought under the RFP.

II. The Overall Time for Bidders to Keep a Price Open Should Be Reduced

Section 2.2.4.1 of the RFP requires bidders to provide firm pricing for up to 270 days from the date of submission. RENEW requests the period to complete the evaluation of bids be shortened to the minimum necessary. New York, for example, is now conducting an RFP for renewable energy with a much shorter bid evaluation period. A shorter period between the submission of bids and the awarding of contracts will reduce suppliers’ financial risks due to potential changes in market conditions that may occur after they submit their bids. Consequently, it will minimize the risk premium that suppliers will likely include in their offer to manage these market risks. Reducing the overall time to complete the RFP process, and consequently the time for which the price must remain firm, will also increase the likelihood of project pricing reflecting a higher PTC value- due to the phase-out discussed above- and therefore lower prices.

III. Small Hydro Resources Should Be Eligible for the RFP if the Small Hydro Is Part of a Bid Having Largely New Renewable Resources

RENEW supports modification of the RFP to allow small hydro facilities to be eligible in the RFP provided they are paired with largely new wind or solar in the bid. The pairing of small hydro with new wind or solar can facilitate low-cost transmission upgrades necessary to interconnect the new projects or deliver the new renewable energy into the ISO New England control area. Section 2.2.2.2. restricts eligible renewable energy resources to newly developed RES resources. Innovative proposals combining wind, hydropower and transmission have already been submitted in previous renewable energy RFPs involving Rhode Island. Contracting of existing small hydro used primarily to firm delivery of wind and/or solar resources can be

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conducted pursuant to the *Affordable Clean Energy Security Act* (R.I. Gen. Laws § 39-26.1-1 *et seq.*).

IV. Conclusion

RENEW appreciates the opportunity to offer these comments on the RFP.

Sincerely,

A handwritten signature in blue ink that reads "Francis E. Pullaro". The signature is written in a cursive style with a large initial 'F'.

Francis Pullaro

Executive Director